

UNITED STATES BANKRUPTCY COURT

DISTRICT OF PUERTO RICO

In Re: ) Docket No. 3:17-BK-3283 (LTS)  
)  
) Title III  
The Financial Oversight and )  
Management Board for )  
Puerto Rico, ) (Jointly Administered)  
)  
*as representative of* )  
)  
The Commonwealth of )  
Puerto Rico, *et al.*, ) June 12, 2019  
)  
and )  
)  
)  
Puerto Rico Electric )  
Power Authority, )  
)  
Debtors. )

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In Re: ) Docket No. 3:17-BK-3566 (LTS)  
)  
) PROMESA Title III  
The Financial Oversight and )  
Management Board for )  
Puerto Rico, ) (Jointly Administered)  
)  
*as representative of* )  
)  
Employees Retirement System )  
of the Government of the )  
Commonwealth of )  
Puerto Rico, )  
Debtor. )

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2 In Re: ) Docket No. 3:17-BK-3567 (LTS)  
3 )  
4 ) PROMESA Title III  
5 The Financial Oversight and )  
6 Management Board for )  
7 Puerto Rico, ) (Jointly Administered)  
8 )  
9 as representative of )  
10 )  
11 Puerto Rico Highways and )  
12 Transportation Authority, )  
13 )  
14 Debtor. )

9  
10 In Re: ) Docket No. 3:17-BK-4780 (LTS)  
11 )  
12 ) PROMESA Title III  
13 The Financial Oversight and )  
14 Management Board for )  
15 Puerto Rico, ) (Jointly Administered)  
16 )  
17 as representative of )  
18 )  
19 Puerto Rico Electric )  
20 Power Authority, )  
21 )  
22 Debtor. )

17  
18 OMNIBUS HEARING  
19 BEFORE THE HONORABLE U.S. DISTRICT JUDGE LAURA TAYLOR SWAIN  
20 UNITED STATES DISTRICT COURT JUDGE  
21 AND THE HONORABLE U.S. MAGISTRATE JUDGE JUDITH GAIL DEIN  
22 UNITED STATES DISTRICT COURT JUDGE  
23  
24  
25

1 APPEARANCES:

2 For The Commonwealth  
3 of Puerto Rico, et al.: Mr. Martin J. Bienenstock, PHV  
4 Mr. Paul Possinger, PHV  
5 Ms. Laura Stafford, PHV  
6 Mr. Gregg M. Mashberg, Esq.

7 For the U.S. Trustee  
8 Region 21: Ms. Monsita Lecaroz Arribas, AUST

9 For Official Committee  
10 of Unsecured Creditors: Mr. Luc A. Despins, PHV

11 For Puerto Rico Fiscal  
12 Agency and Financial  
13 Advisory Authority: Mr. Peter Friedman, PHV

14 For Financial Guaranty  
15 Insurance Company: Mr. Martin Sosland, PHV  
16 Mr. Jason Callen, PHV

17 For Ad Hoc Group of  
18 General Obligation  
19 Bondholders: Mr. Mark T. Stancil, PHV

20 For Ambac Assurance  
21 Corporation: Ms. Atara Miller, PHV

22 For Association of  
23 the Puerto Rico  
24 Judiciary: Mr. David Indiano Vicic, Esq.

25 For Ad Hoc Group of  
Constitutional  
Debtholders: Mr. Andrew Kissner, PHV

For Syncora Guarantee: Mr. Carlos Rodriguez Vidal, Esq.

For Windmar Renewable  
Energy, Inc., et al.: Mr. Fernando Agrait Betancourt, Esq.

For National Public  
Finance Guarantee: Mr. Robert Berezin, PHV

1 APPEARANCES, Continued:

2 For AmeriNational  
3 Community Services,  
4 LLC: Mr. Nayuan Zouairabani, Esq.

5 For U.S. Bank  
6 National Association: Mr. Clark Whitmore, PHV

7 For Assured Guaranty  
8 Corporation and Assured  
9 Guaranty Municipal  
10 Corporation: Mr. William Natbony, PHV

11 For Union de  
12 Trabajadores de la  
13 Industria Electrica y  
14 Riego, Inc.: Mr. Rolando Emmanuelli Jiminez, Esq.

15 For Sistema de Retiro  
16 de los Empleados de la  
17 Autoridad de Energia  
18 Electrica: Ms. Jessica Mendez Colberg, Esq.

19 For the Official  
20 Committee of Retired  
21 Employees of the  
22 Commonwealth of  
23 Puerto Rico: Mr. Robert Gordon, PHV

24 For Cortland Capital  
25 Market Services, LLC: Mr. Emil Kleinhaus, PHV

For the Fee Examiner: Mr. Brady Williamson, Fee Examiner  
Ms. Katherine Stadler, PHV

Additional speakers: Mr. Jay Herriman  
Mr. Carlos Cintron Garcia

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CAT.

1 they either need to put up or shut up, Your Honor. So I  
2 believe that time has come now.

3 There is no basis for the stay. However, we would  
4 not be opposed to some joint prosecution for the litigation in  
5 order to have everything done orderly, Your Honor. And in  
6 that sense, even if the Court were to consider a stay, we ask  
7 that that stay be bifurcated. AmeriNat has very particular  
8 defenses and a unique situation, and any such stay would be  
9 prejudicial upon us, Your Honor. Thank you.

10 HONORABLE MAGISTRATE JUDGE DEIN: Thank you.

11 MR. BIENENSTOCK: Your Honor --

12 HONORABLE MAGISTRATE JUDGE DEIN: Let me just make  
13 sure, are there any other opponents?

14 (No response.)

15 HONORABLE MAGISTRATE JUDGE DEIN: We're done. Okay.  
16 Go ahead.

17 MR. BIENENSTOCK: I had not been part of this, but  
18 I've listened and wonder if I could have a few minutes both to  
19 provide some information that might be helpful to everyone and  
20 to respond to some unfounded accusations that were made  
21 against my client.

22 HONORABLE MAGISTRATE JUDGE DEIN: Why don't you take  
23 a couple of minutes.

24 MR. BIENENSTOCK: Thank you.

25 In terms of the information that might help everyone,

1 we know that the GO holders have asserted liens against the  
2 property -- certain of the property taxes and the clawback  
3 revenues. We've disagreed with them, but we know they assert  
4 them, because they filed a Complaint that went up to the First  
5 Circuit.

6 While we disagree with them, in the plan we file,  
7 we're going to provide that they get property taxes and they  
8 get clawback funds, because we have to pay them out of  
9 something, so we might as well pay them out of the things they  
10 say they have a lien on first. So that might make some of the  
11 issues go away. I just raise it for that purpose.

12 And as far as the accusations that were made by  
13 Ambac, just three or four quick responses. I was shocked to  
14 hear about my client's -- the Oversight Board's strategy and  
15 intentions. I don't know where they got this from, but they  
16 ended up saying that we took some very small agreements with  
17 some small classes with the intent of ramming through a  
18 confirmation.

19 Well, how could anyone be so silly as to think that  
20 Judge Swain would ever let us do that? That's never what we  
21 wanted to do or intended to do, and that can never happen in  
22 this Court. When we file a plan, to the extent there are  
23 overarching issues, I've actually said it I think at prior  
24 Omnibus Hearings, we might ask Judge Swain to tee up some of  
25 the issues, such as clawback revenues, at the disclosure

1 U.S. DISTRICT COURT )  
2 DISTRICT OF PUERTO RICO)

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4 I certify that this transcript consisting of 196 pages is  
5 a true and accurate transcription to the best of my ability of  
6 the proceedings in this case before the Honorable United  
7 States District Court Judge Laura Taylor Swain and the  
8 Honorable United States District Court Magistrate Judge Judith  
9 Gail Dein on June 12, 2019.

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13 S/ Amy Walker

14 Amy Walker, CSR 3799

15 Official Court Reporter

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